

رعاية الطبية  
CARE MEDICAL



# Earnings Presentation

1Q 2025

14 May 2025 | Riyadh, KSA



# Performance Highlights and Strategy

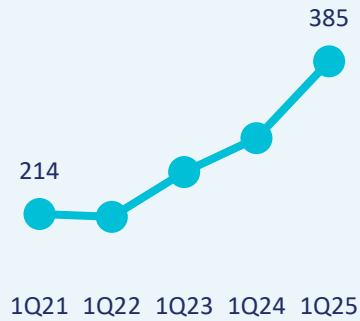


# Operating and Financial Performance Highlights



Improved operational efficiency and strong financial performance despite anticipated impact of Ramadan. Al Salam turns profitable as turnaround strategy delivers enhancements ahead of expectations.

Revenue  
1Q 2025  
**385** SAR mn  
+29% year-on-year



**227.2**  
thousand  
Total patients 1Q 2025  
+37% year-on-year

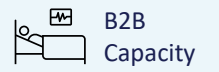
**220.4**  
thousand  
Outpatients<sup>1</sup>  
1Q 2025  
+37% year-on-year

**6.8**  
thousand  
Inpatients<sup>2</sup>  
1Q 2025  
+41% year-on-year

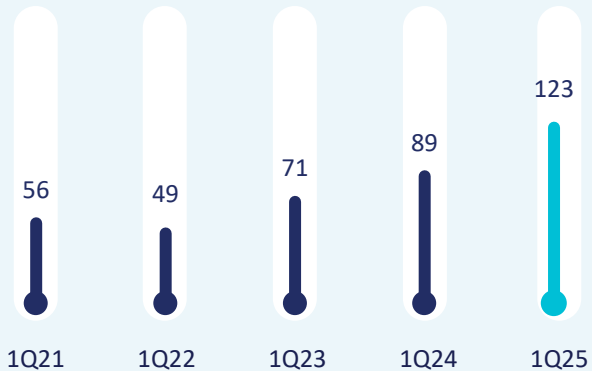
New facility with significant strategic upside

## Al Salam

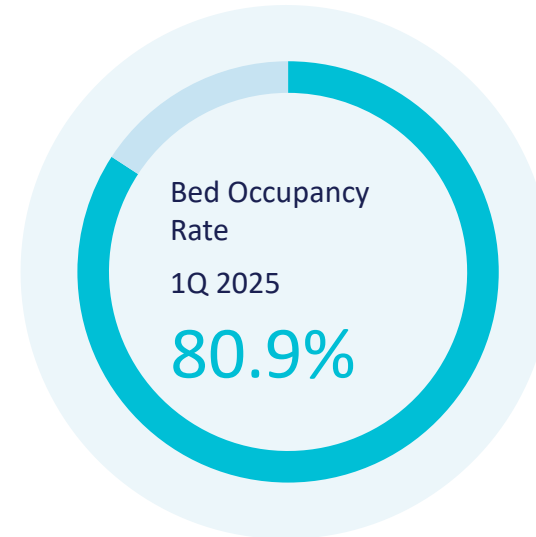
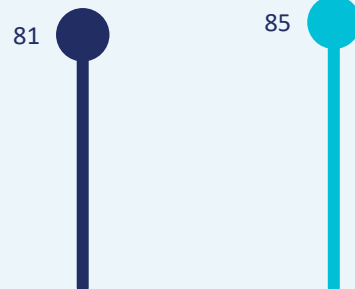
- Riyadh, KSA
- General C-class hospital offering full medical care
- 100 beds
- 27 clinics



EBITDA  
1Q 2025  
**123** SAR mn  
+38% year-on-year



Net Profit  
1Q 2025  
**85** SAR mn  
+5% year-on-year



Number of Available Beds  
31 March 2025  
**1,174**

Average length of stay  
1Q 2025  
**12.6 days**  
+8% year-on-year

<sup>1</sup> Outpatient visits  
<sup>2</sup> Inpatient admissions

# Strategic Focus: Expansion, New Services, Efficiency, and Automation



## Overview of strategic initiatives

|                                 |  |   |  |  |   |  |
|---------------------------------|--|---|--|--|---|--|
| <h3>New Services</h3>           | <h4>Home Healthcare Services</h4> <p>Started Home Healthcare Services to increase patient satisfaction and drive new revenue</p> |   | <h4>Executive Health Check</h4> <p>Launched executive health check to raise cash revenue, targeting health-conscious individuals</p> |  | <h4>ReLib Mental Health Center</h4> <p>Introduced mental health services to drive revenue, targeting wellness-focused clients</p>   |  |
| <h3>Expansion</h3>              | <h4>Riyadh Narjis Hospital</h4> <p>General hospital in Riyadh by 2028</p>  | <h4>Jeddah Al Balad</h4> <p>LT care facility acquired in 4Q 2023</p>  | <h4>Mecca Al Haram</h4> <p>Emergency facility launched in 4Q 2023</p>  | <h4>Riyadh Al Salam</h4> <p>General hospital acquired in 4Q 2024</p> | <h4>Further Projects</h4> <ul style="list-style-type: none"> <li>M&amp;A pipeline</li> <li>Potential bed capacity increase</li> </ul>   |  |
| <h3>Efficiency Improvement</h3> | <h4>Centres of Excellence</h4> <p>Established CoE at Rawabi and Malaz</p>  | <h4>Positioning and Brand</h4> <p>Unveiled Care's refreshed brand</p> | <h4>New Operating Model</h4> <p>Maximized operational efficiency</p>   | <h4>Patient Experience</h4> <p>Improved patient experience</p>       | <h4>Cross-Business Unit Synergy</h4> <p>Enhanced internal collaboration</p>   | <h4>Staff Value Proposition</h4> <p>Improved value to attract talent</p> |
| <h3>Digital Automation</h3>     | <h4>Clinical Intelligence System</h4> <p>Implemented the Intel System to maximize value from every patient engagement</p>        |   | <h4>Digital Patient Platform</h4> <p>Launched a digital platform to optimize patient experiences and personalize care</p>            |  | <h4>5-year IT Strategy</h4> <p>Enable transformation by focusing on digital core modernization, data intelligence, as well as patient and clinician experience and governance</p> |  |

# Al Salam Hospital



A C-class facility providing a broad range of healthcare services acquired in October 2024. Turned profitable in 1Q 2025 despite anticipated impact of Ramadan on patient traffic.

## Hospital Overview

Name: Al Salam Hospital

Location: Riyadh

Services: Broad-Scope Healthcare

Status: Operational

Targeted Patients: C-Class

**44** Acquisition Price  
SAR mn

**100** Full Capacity  
Beds<sup>1</sup>

**440** Average Cost  
SAR th Per Bed

Revenue  
(SAR mn)



16,200  
square meters



27  
clinics



79%  
occupancy  
in 1Q25



41,807  
patients  
in 1Q25



Net Profit Before Zakat  
(SAR mn)



<sup>1</sup> The number of beds represents available operational beds as of March 31, 2025.

# Al Salam Hospital – Turnaround Plan

Care's comprehensive turnaround strategy is already delivering impressive results



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## Areas of Focus

### Integration

Integrate Al Salam into Care's operating frameworks to boost efficiencies and day-to-day management

### Management

Hire new management team to lead on turnaround

### Reputation

Improve facility's reputation with insurance companies and government to improve collection rates and terms

### Synergy Extraction

Extract operational and strategic synergies between Al Salam and Rawabi to drive sustainable growth

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## Progress Made

### Losses Declining

New IT system, staffing arrangements, and supply chain integration are driving sustained declines in operational losses

### Reputation Improving

Insurance companies were pleased to see Care takeover and actively working to improve contractual terms and decrease rejection rates

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## Upcoming Priorities

### Secure Contracts

Complete negotiations with insurance companies to secure better terms and drive systematic improvements in collections

### Complete Turnaround

While hospital turnarounds typically take 12 to 24 months, management sees encouraging progress leading to shorter timelines



# Operating and Financial Performance

1Q 2025



# Operational Trends

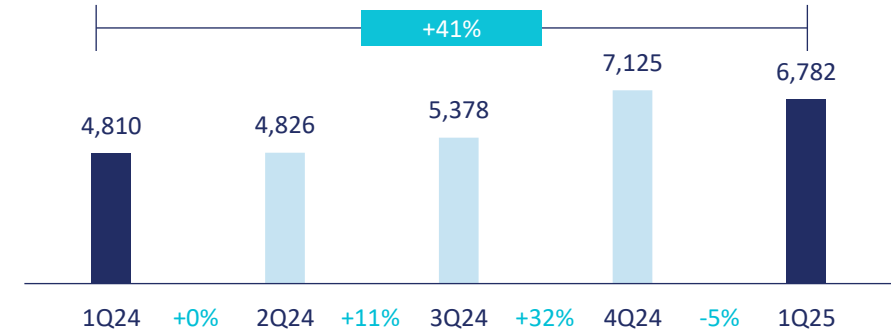


Growing patient numbers despite anticipated Ramadan slowdown supported by the successful integration of Al Salam and the ramp-up of the Prince Sultan Military Medical City contract

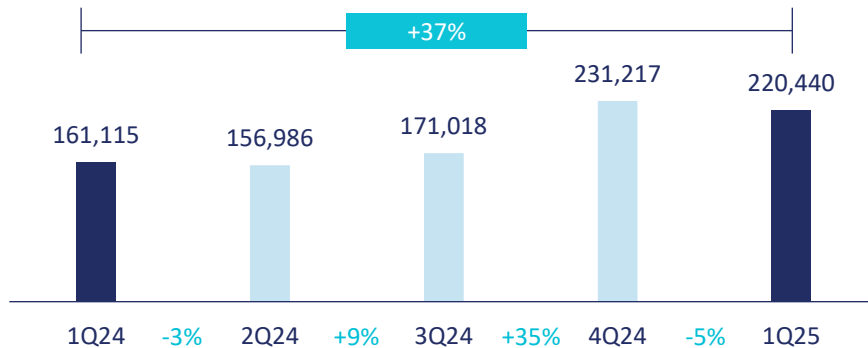
## Operational Highlights<sup>1,2</sup>

| SAR mn                 | 1Q2025         | 1Q2024         | YoY, %      | 1Q2025 LfL     | YoY, %      |
|------------------------|----------------|----------------|-------------|----------------|-------------|
| Inpatient admissions   | 6,782          | 4,810          | +41%        | 5,408          | +13%        |
| Outpatient visits      | 220,440        | 161,115        | +37%        | 173,706        | +11%        |
| <b>Total patients</b>  | <b>227,222</b> | <b>165,925</b> | <b>+37%</b> | <b>179,114</b> | <b>+11%</b> |
| Inpatient days         | 85,290         | 56,032         | +52%        | 61,709         | +52%        |
| Bed capacity           | 1,174          | 946            | +24%        | 825            | +15%        |
| Bed occupancy rate (%) | 80.9%          | 65.0%          | +15.9 ppts  | 83.3%          | +21.1 ppts  |
| ALOS, Total (days)     | 12.6           | 11.6           | +8%         | 11.4           | +34%        |
| Number of surgeries    | 5,925          | 4,095          | +45%        | 4,482          | 18%         |

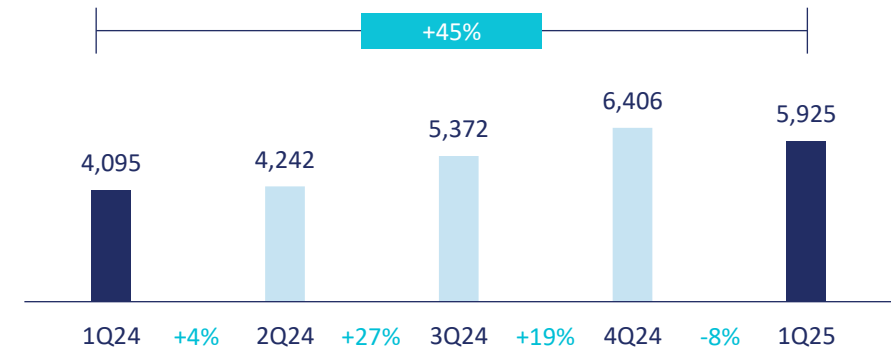
## Inpatients Admissions Quarterly Trend (Admissions)



## Outpatient Visits Quarterly Trend (Outpatient visits)



## Surgeries Quarterly Trend (Surgeries)



<sup>1</sup>The 1Q 2025 indicators include the results of the Rawabi, Malaz, Haram (Jiwar), AlBalad (formerly Chronic Care), Al Salam, and ReLib. The 1Q 2025 LfL (like-for-like) and 1Q 2024 indicators include only the results of the Rawabi and Malaz branches. <sup>2</sup>"ALOS, Total" – average length of stay for all inpatients.



# Income Statement

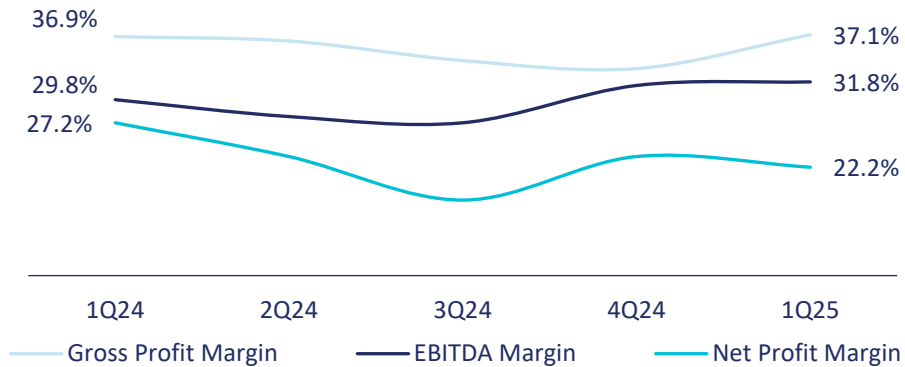


Margin improvements at the gross and EBITDA levels supported by company-wide efforts to improve efficiency. Contraction in NPM reflects one-off boost to comparable quarter of last year from Zakat provision reversal.

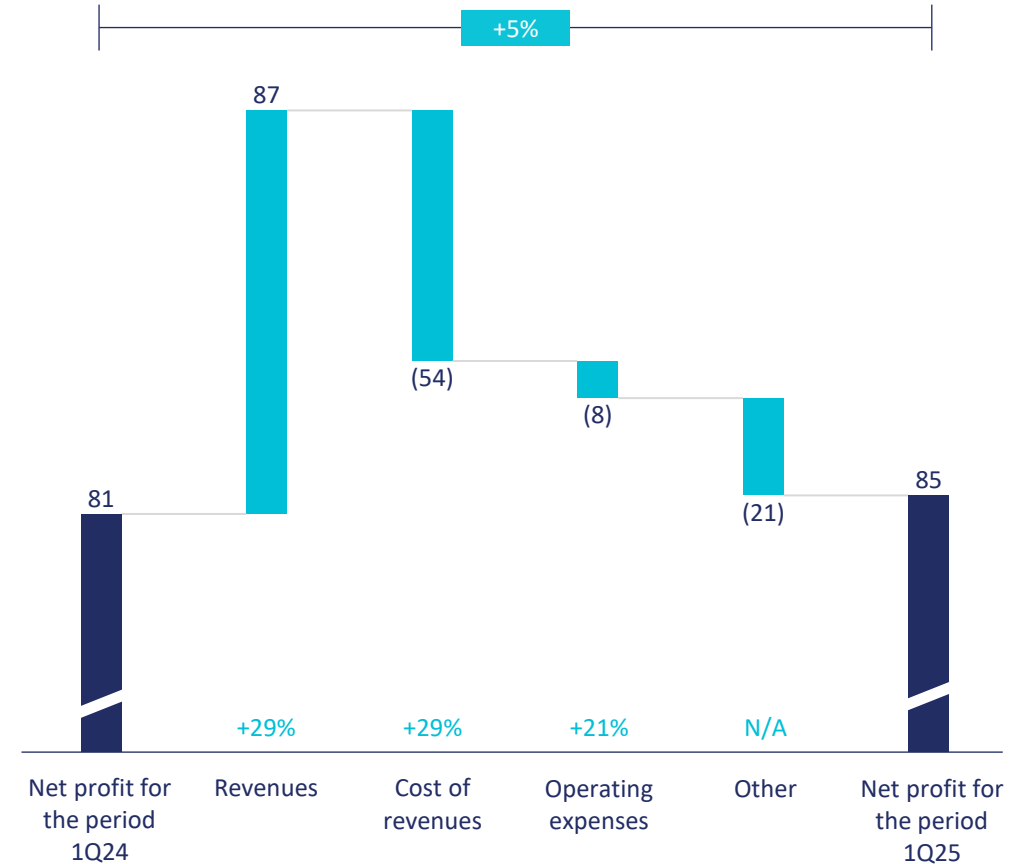
## Income Statement Highlights

| SAR mn                  | 1Q2025     | 1Q2024     | YoY, %      |
|-------------------------|------------|------------|-------------|
| Revenues                | 385        | 299        | +29%        |
| Cost of revenues        | (242)      | (188)      | +29%        |
| <b>Gross profit</b>     | <b>143</b> | <b>110</b> | <b>+30%</b> |
| Operating expenses      | (46)       | (38)       | +21%        |
| <b>Operating profit</b> | <b>97</b>  | <b>72</b>  | <b>+34%</b> |
| <b>EBITDA</b>           | <b>123</b> | <b>89</b>  | <b>+38%</b> |
| <b>Net profit</b>       | <b>85</b>  | <b>81</b>  | <b>+5%</b>  |
| Gross profit margin     | 37.1%      | 36.9%      | +0.2 pts    |
| EBITDA margin           | 31.8%      | 29.8%      | +2.0 pts    |
| Net profit margin       | 22.2%      | 27.2%      | -5.1 pts    |

## Quarterly Margin Trends (%)



## Net Profit Development (SAR mn)

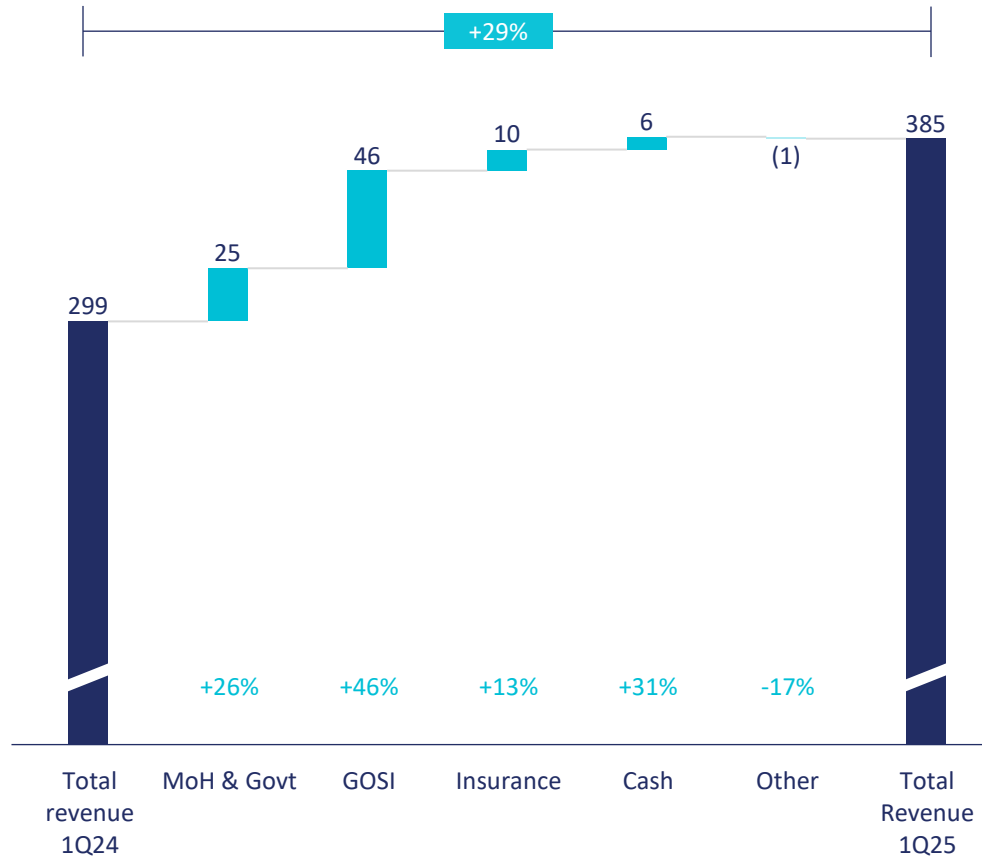




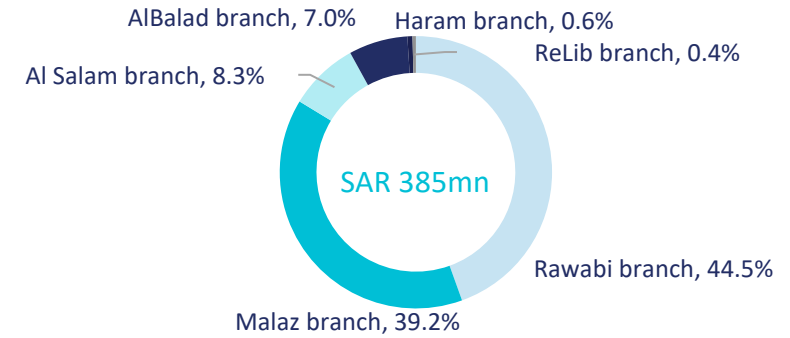
# Revenue Trends

Revenue in 1Q 2025 supported by higher patient volumes from GOSI, Al Salam, and the Prince Sultan Military Medical City contract

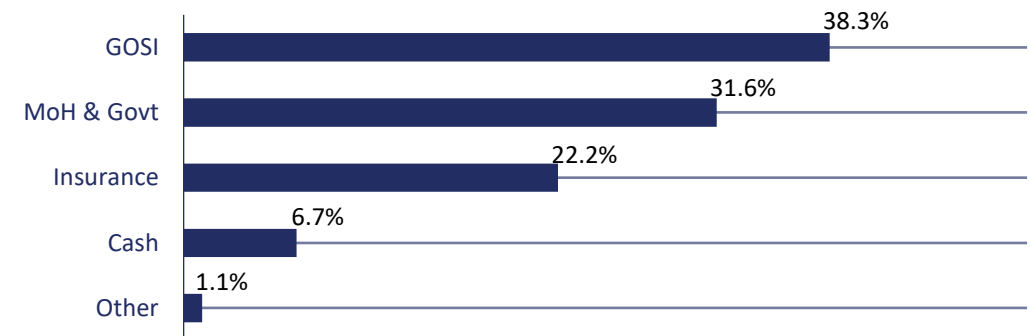
Revenue Development<sup>1</sup>  
(SAR mn)



Revenue by Business Unit (1Q 2025)  
(%)



Revenue by Payer (1Q 2025)  
(SAR mn)



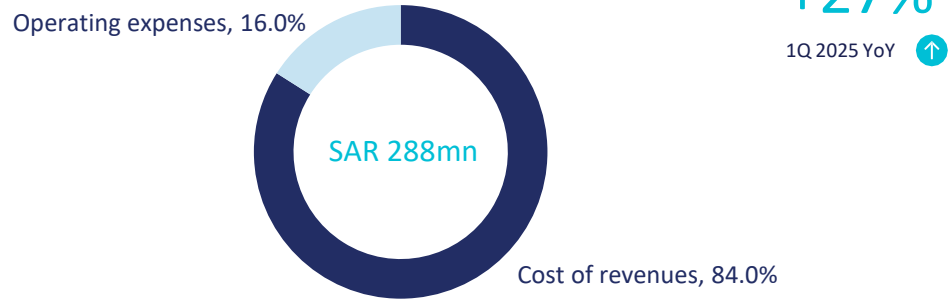
<sup>1</sup>Based on Net Revenue calculated as follows: Gross Revenue – Discounts – Rejections.

# Costs Overview

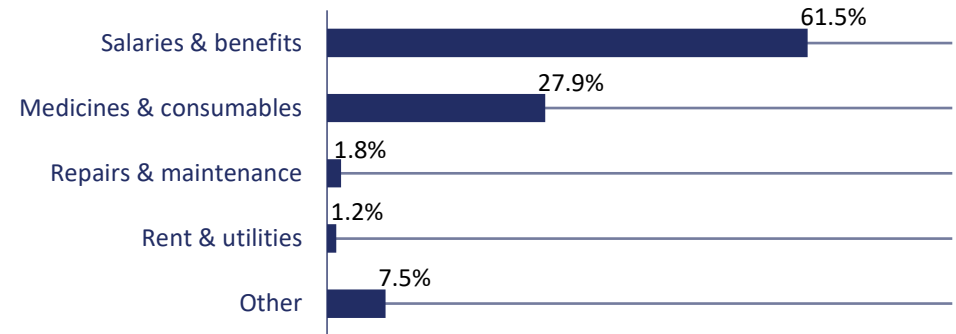


Elevated cost of revenues reflects hiring at new facilities and a rise in surgical procedures

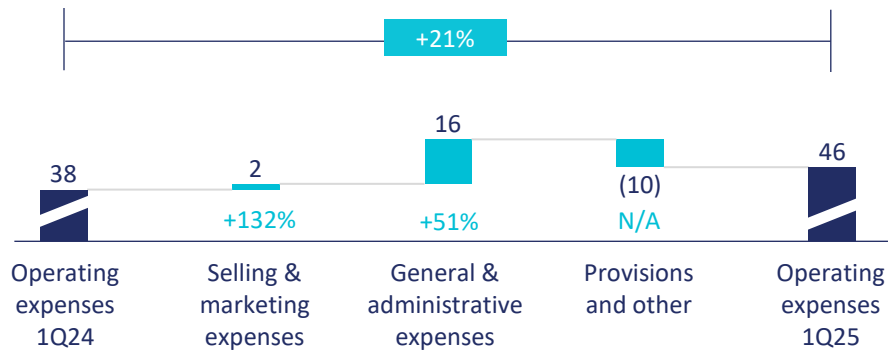
Total Expenses Breakdown (1Q 2025)  
(%)



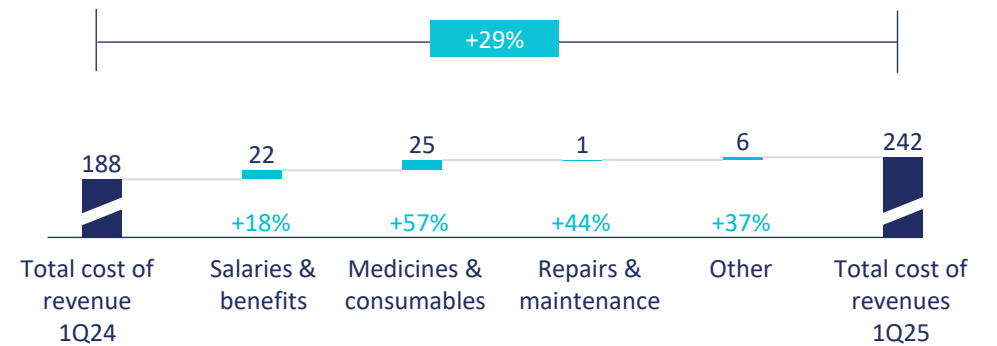
Cost of Revenues Breakdown (1Q 2025)  
(%)



Operating Expenses Development  
(SAR mn)



Cost of Revenues Development  
(SAR mn)





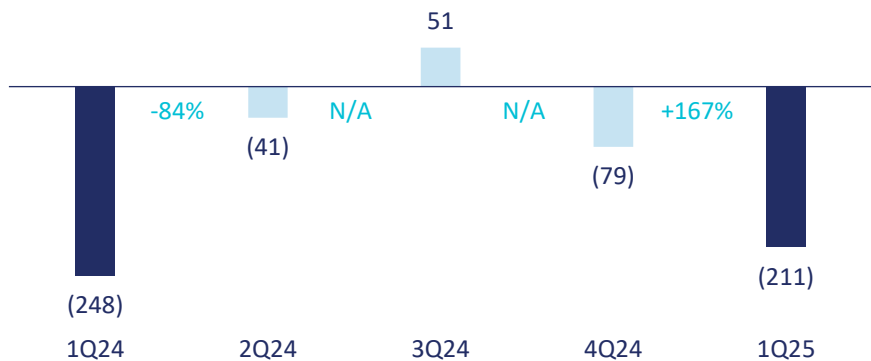
# Balance Sheet Highlights

Strong balance sheet supported by a solid cash reserves

## Balance Sheet Highlights

| SAR mn                            | 1Q2025       | 4Q2024       | YtD, %     |
|-----------------------------------|--------------|--------------|------------|
| Total Non-Current Assets          | 1,270        | 1,273        | -0%        |
| Total Current Assets              | 1,307        | 1,229        | +6%        |
| <b>Total Assets</b>               | <b>2,577</b> | <b>2,502</b> | <b>+3%</b> |
| <b>Total Shareholders' Equity</b> | <b>1,715</b> | <b>1,630</b> | <b>+5%</b> |
| Total Non-Current Liabilities     | 502          | 524          | -4%        |
| Total Current Liabilities         | 360          | 348          | +3%        |
| <b>Total Liabilities</b>          | <b>862</b>   | <b>873</b>   | <b>-1%</b> |
| Cash, equivalents & time deposits | 677          | 567          | +19%       |
| Net Debt <sup>2</sup>             | (211)        | (79)         | +167%      |

## Net Debt Trend<sup>2</sup> (SAR mn)



## Cash Conversion Cycle<sup>1</sup> Trend (Days)



<sup>1</sup> Based on YTD indicators. DPO, DSO, and DIO are calculated based on Care methodology.

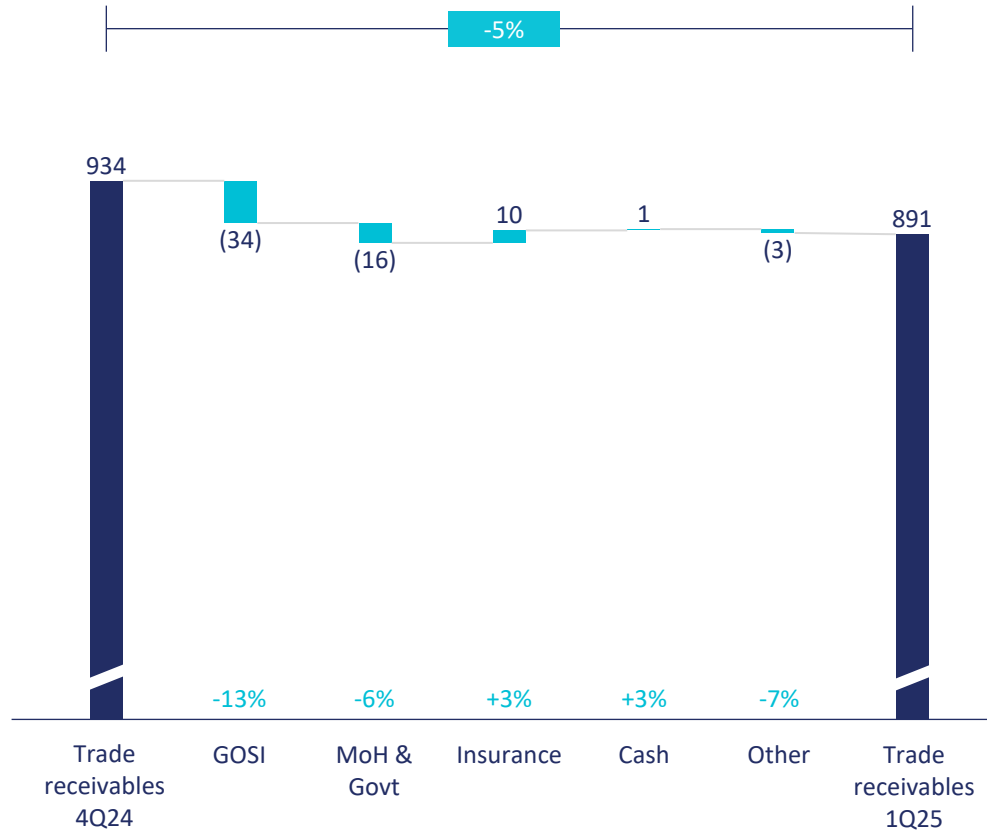
<sup>2</sup> Including time deposits.

# Receivables Management

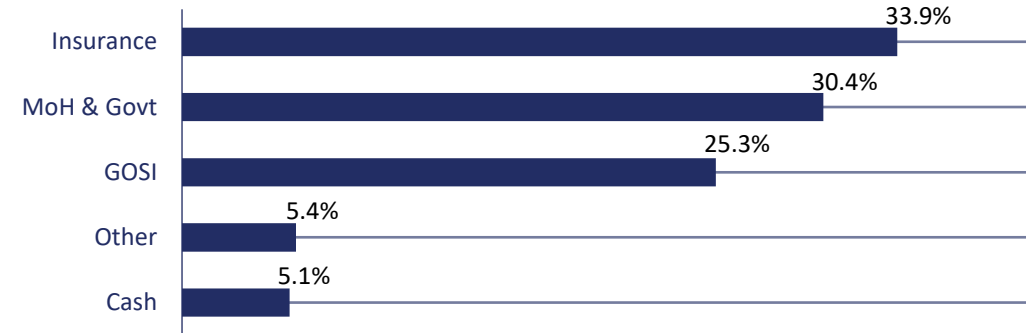
Decline in receivables due to successful settlement and renegotiations with key insurance providers



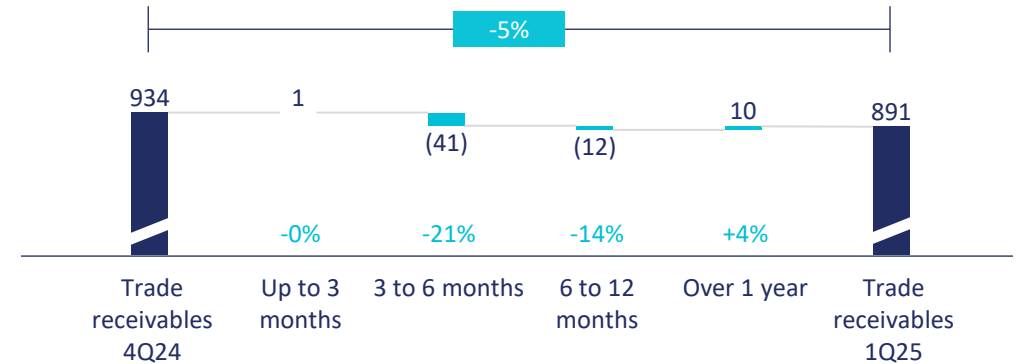
Trade Receivables<sup>1</sup> Development  
(SAR mn)



Trade Receivables<sup>1</sup> Structure (end of 1Q 2025)  
(SAR mn)



Trade Receivables<sup>1</sup> Aging (end of 1Q 2025)  
(SAR mn)



<sup>1</sup> Based on Gross Trade Receivables, excluding any deductions for provisions held against them

# Cash Flow Highlights

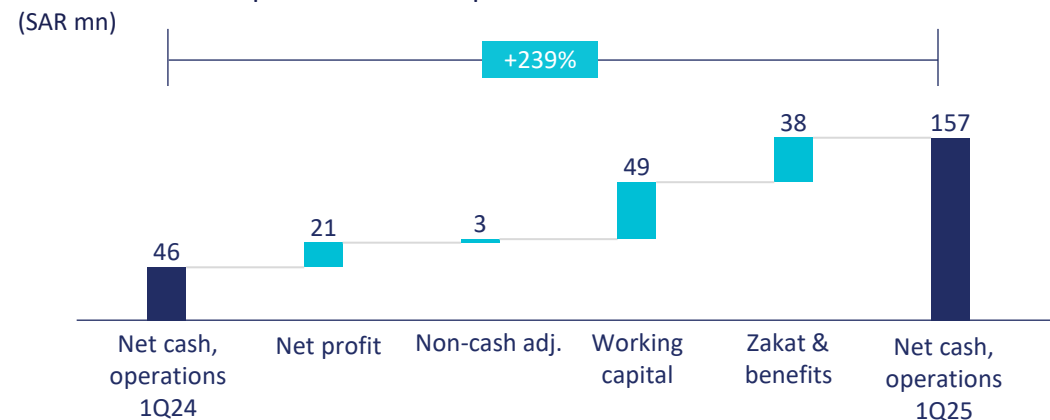
Cash flow from operations supported by stronger results



## Cash Flow Highlights

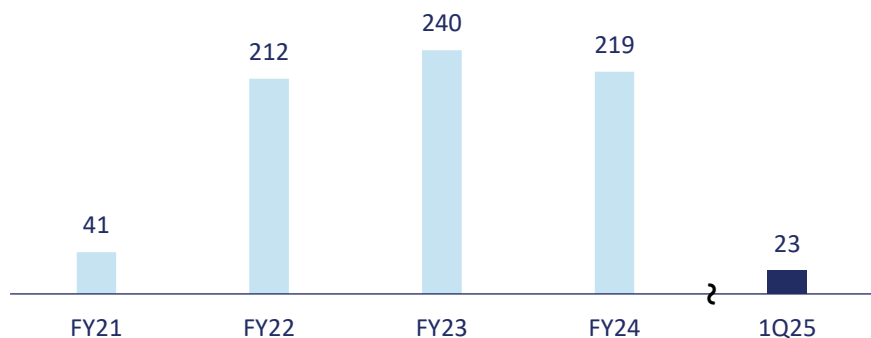
| SAR mn  | 1Q2025 | 1Q2024 | YoY, % |
|---|--------|--------|--------|
| Net Profit before zakat                         | 95     | 74     | +28%   |
| Non-cash adjustments                            | 31     | 28     | +1.1x  |
| Working capital changes                         | 33     | (16)   | N/A    |
| Zakat, fin. income, empl. benefits <sup>1</sup> | (2)    | (40)   | -96%   |
| Net cash, operations                            | 157    | 46     | 239%   |
| Capex   | (23)   | (168)  | -87%   |
| Net cash, investing activities                  | 205    | (168)  | N/A    |
| Net cash, financing activities                  | (24)   | (6)    | +330%  |
| Net changes in cash                             | 338    | (128)  | N/A    |

## Cash Flow From Operations Development



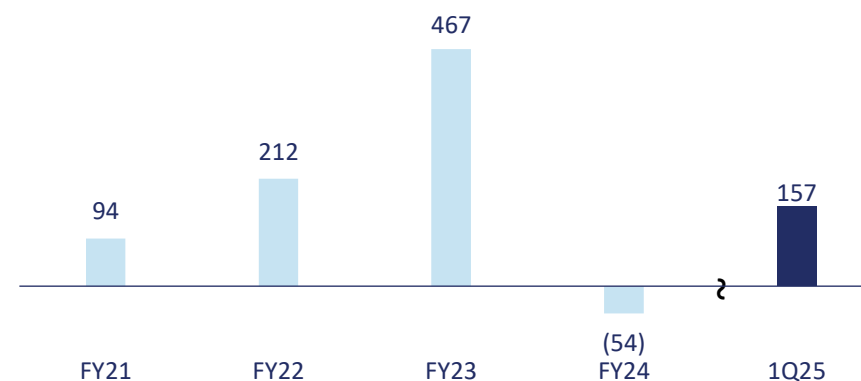
## Capex Trend

(SAR mn)



## Cash Flow From Operations Trend

(SAR mn)



<sup>1</sup> Zakat, finance income (net), and end-of-service benefits.



# Q&A Session





# Appendix

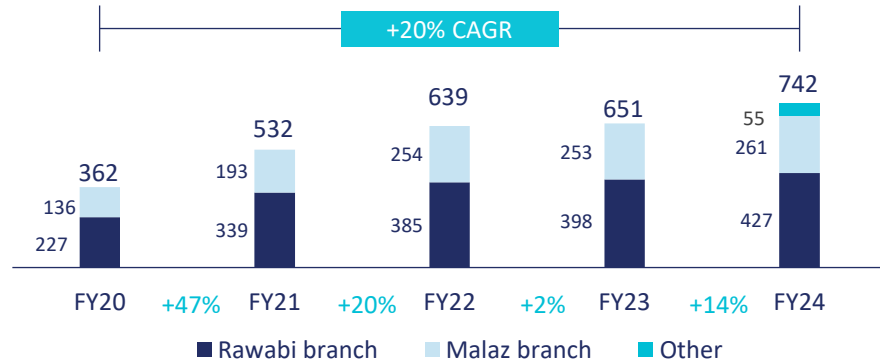




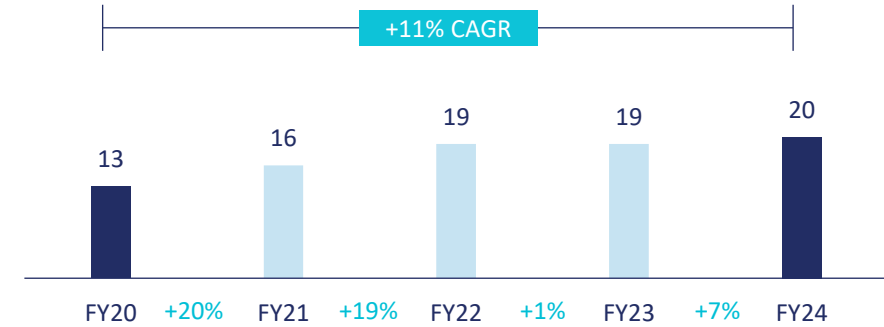
# Operating Performance Overview<sup>1</sup> (1/2)



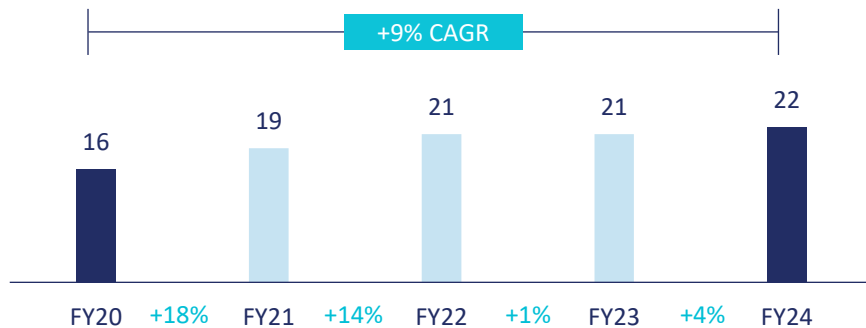
Total Patients Trend  
(Thousand patients)



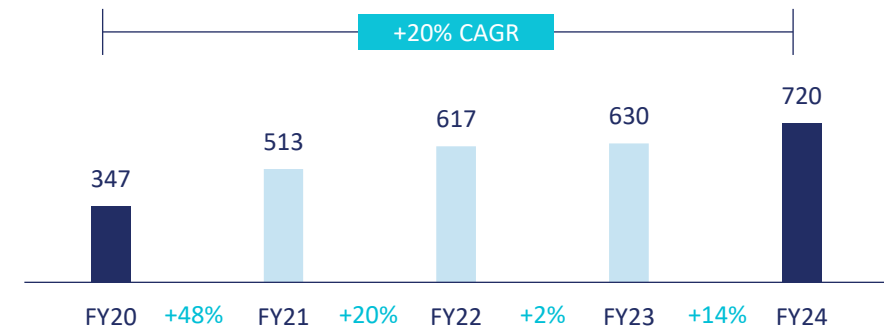
Surgeries Trend  
(Thousand surgeries)



Inpatients Admissions Trend  
(Thousand admissions)



Outpatient Visits Trend  
(Thousand outpatient visits)

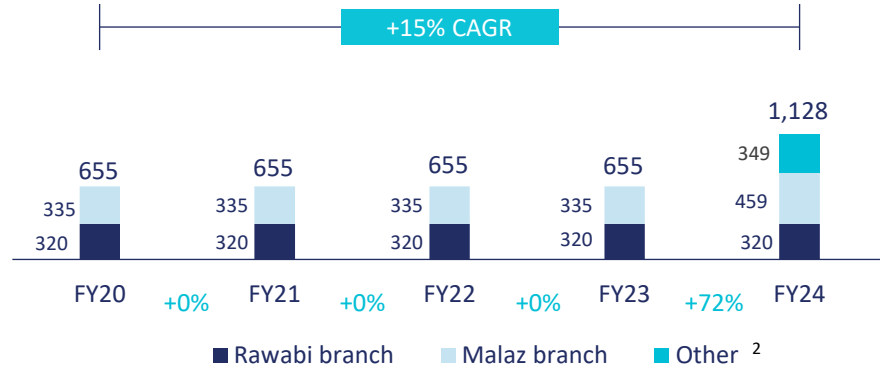


<sup>1</sup> FY20-23 data covers Rawabi and Malaz branches. FY24 includes Rawabi, Malaz, Al Balad, Al Salah, Haram, and ReLib. For Al Salam only operating indicators from the acquisition date are included. As an emergency facility, Haram records only outpatient visits, excluding inpatient admissions and surgeries. <sup>2</sup> "Other" includes Al Balad, Al Salam, Haram, and ReLib.

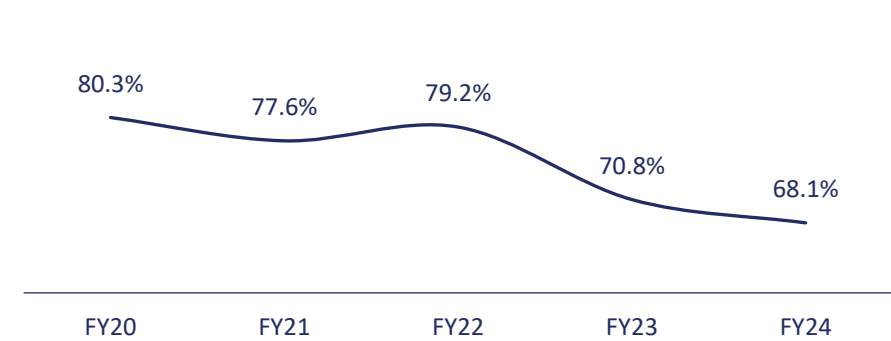
# Operating Performance Overview<sup>1</sup> (2/2)



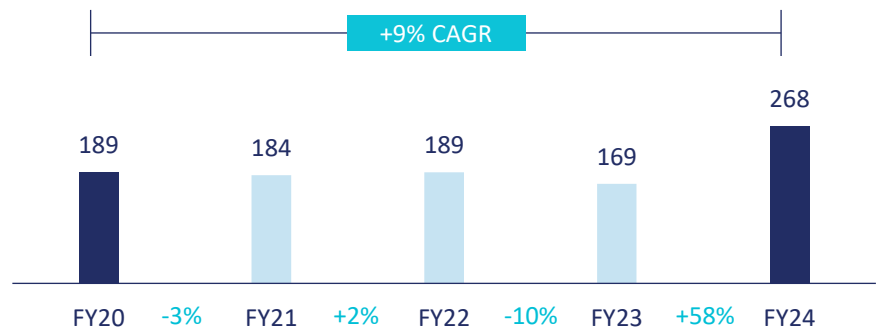
**Bed Capacity Trend**  
(Available beds)



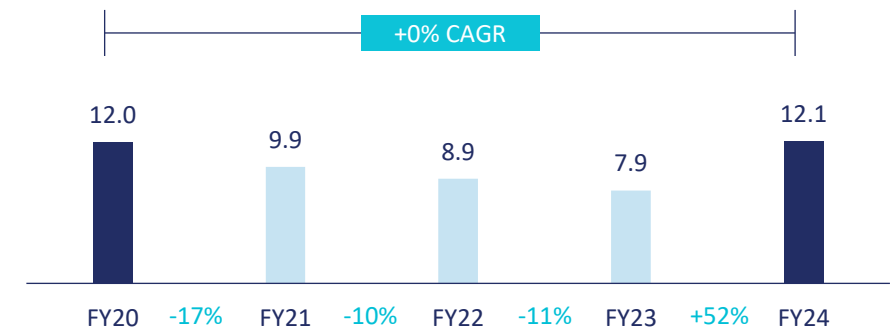
**Bed Occupancy Trend**  
(%)



**Inpatient Days Trend**  
(Thousand inpatient days)



**Average Length of Stay Trend**  
(Days per stay)

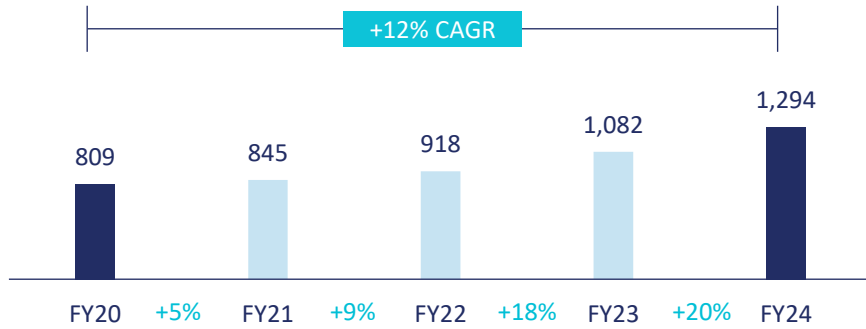


<sup>1</sup> FY20-23 data covers Rawabi and Malaz branches. FY24 includes Rawabi, Malaz, Al Balad, Al Salah, Haram, and ReLib. For Al Salam only operating indicators from the acquisition date are included. As an emergency facility, Haram records only outpatient visits, excluding inpatient admissions and surgeries. <sup>2</sup> "Other" includes Al Balad, Al Salam, Haram, and ReLib.

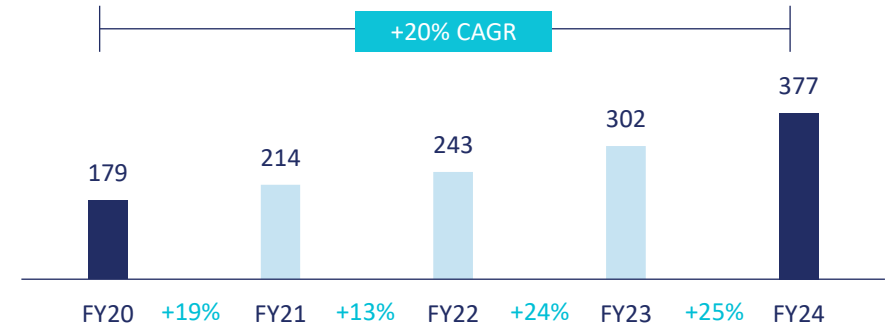
# Financial Performance Overview



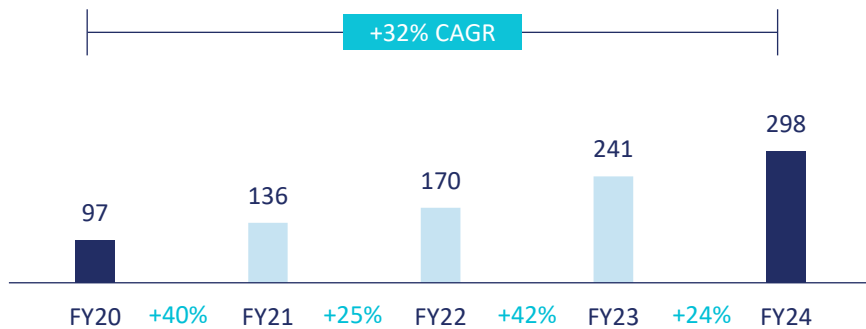
Total Revenue Trend  
(SAR mn)



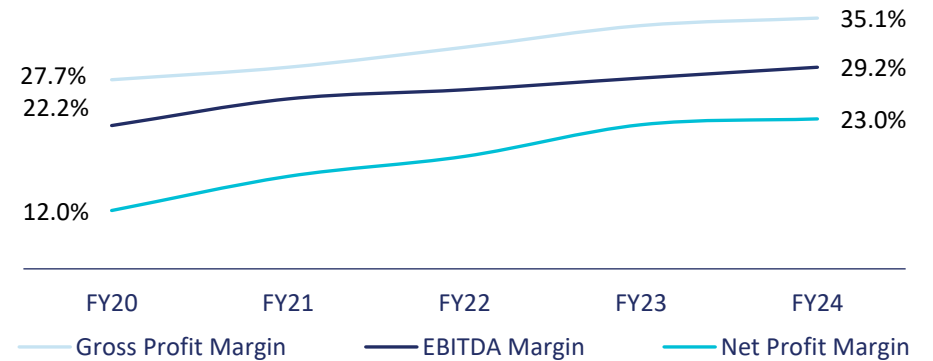
EBITDA Trend  
(SAR mn)



Net Profit Trend  
(SAR mn)



Margins Trend  
(%)





# Contacts

## Institutional investor contact

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<https://ir.care.med.sa/>

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